

CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Fidelity Bank and Fidelity Southern Corporation

Point of Contact:	Steve Brolly404-240-1516	RSSD: (For Bank Holding Companies)	1081118
UST Sequence Number:	178	Docket Number: (For Thrift Holding Companies)	
CPP/CDCI Funds Received:	48,200,000	FDIC Certificate Number: (For Depository Institutions)	21440
CPP/CDCI Funds Repaid to Date:		Credit Union Charter Number: (For Credit Unions)	
Date Funded (first funding):	December 19, 2008	City:	Atlanta
Date Repaid ¹ :	N/A	State:	Georgia

¹If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP) and Community Development Capital Initiative (CDCI). To answer that question, Treasury is seeking responses that describe generally how the CPP/CDCI investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP/CDCI investment was deployed or how many CPP/CDCI dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP/CDCI capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP/CDCI funds were outstanding).

☒ **Increase lending or reduce lending less than otherwise would have occurred.**

Our total loan production increased 35.0% to \$2.2 billion in 2010, compared to \$1.6 million in 2009.

☒ **To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).**

The largest increases in our loan production were in residential mortgage loans of over \$360 million and consumer loans of over \$180 million.

CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Fidelity Bank and Fidelity Southern Corporation

☒ **Increase securities purchased (ABS, MBS, etc.).**

During 2010, we purchased \$175 million agency MBS and \$78 million FHLB investment securities.

☐ **Make other investments.**

☐ **Increase reserves for non-performing assets.**

☒ **Reduce borrowings.**

We were able to reduce our brokered deposits from \$99 million (6% of total deposits) at December 31, 2009 to \$62 million (4% of total deposits) at December 31, 2010.

CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Fidelity Bank and Fidelity Southern Corporation

☐ Increase charge-offs.

☐ Purchase another financial institution or purchase assets from another financial institution.

☐ Held as non-leveraged increase to total capital.

CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION
(Include Holding Company Where Applicable)

Fidelity Bank and Fidelity Southern Corporation

What actions were you able to avoid because of the capital infusion of CPP/CDCI funds?

CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Fidelity Bank and Fidelity Southern Corporation

What actions were you able to take that you may not have taken without the capital infusion of CPP/CDCI funds?

In 2010, we hired over 70 new employees, including additional lenders in our commercial, SBA, mortgage, consumer and private banking division. Because of the TARP-CPP funds, we increased advertising to build our deposit base in order to in turn fund loans.

CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION
(Include Holding Company Where Applicable)

Fidelity Bank and Fidelity Southern Corporation

Please describe any other actions that you were able to undertake with the capital infusion of CPP/CDCI funds.